STATE OF MARYLAND

REQUEST FOR PROPOSALS (RFP)

MARYLAND HEALTH CARE COMMISSION

DATA COLLECTION SUPPORT AND
ANALYTIC REPORT DEVELOPMENT

MHCC 10-001

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The above-entitled matter came on for a pre-proposal conference on Wednesday, May 27, 2009, commencing at 11:10 a.m., at the Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215.

AGENCY REPRESENTATIVES:

Sharon Wiggins, Procurement Officer
Ben Steffen, Deputy Director
Linda Bartnyska, Chief, Cost and Quality Analysis
Larry Monroe, Policy Analyst
Mel Franklin, Esquire, AAG

Reported by: Kelly A. Alford

P R O C E E D I N G S

MR. STEFFEN: I'm Ben Steffen, with me are staff from the commission. Starting from my right, I'll ask them to introduce themselves.

MR. MONROE: Larry Monroe.

MR. STEFFEN: And your function?

MR. MONROE: Policy analyst, pretty much the database compliance officer.

MS. BARTNYSKA: Linda Bartnyska, I'm chief of the cost and quality analysis. I do a lot of monitoring of contracts.

MS. WIGGINS: Sharon Wiggins, procurement officer.

MR. FRANKLIN: Mel Franklin with the Office of the Attorney General.

MR. STEFFEN: Thank you. Our role today will be to give you a brief overview of the contract, the RFP. Sharon will provide some information regarding submission of your proposals and we will review the questions that we've received. We will also take questions from the

participants here or from the listeners over the phone. There was a signup sheet that is circulating and you should leave that information, your name. That information will be sent to all the organizations to whom we have sent the RFP. So I encourage you to sign your name.

The contract that we are awarding through this RFP is a five-year contract to support the further development of what's called the medical care database in Maryland. It's also -- in other states we're pursuing similar activities that are called all payer data systems. Broadly they consist of information on services provided to the privately insured, Medicare, and sometimes Medicaid. In our state we are not collecting Medicaid information, but we are collecting information from private carriers who sell in the state as well as, as well as Medicare.

The data collection initiative currently, under the current procurement collects from insurance carriers, private insurance

carriers, information on services provided by health care professionals, physicians, and similarly licensed professionals such as clinical social workers, psychologists, chiropractors, podiatrists, et cetera. Those are individuals who would file in the old parlance, HCFA, 1500 claim forms, would also sometimes be referred to as Part B providers if you're thinking of Medicare, and are typically individuals that you interact with as opposed to facilities that you interact with.

In addition to that we also collect principally from, only currently from private insurers information on prescription drugs provided under most insurance benefit plans. We do not currently collect information directly from pharmacy benefit managers. We are, our focus is on organizations that are licensed to sell in the state. Pharmacy benefit managers, as they typically contract directly with an employer, are currently beyond the reach of our regulations.

As we move forward through this contract

we are planning to expand the data collection to bring it into, into alignment with what other states are doing and we will be collecting on a voluntary basis beginning in 2009 information on institutional claims from four large carriers that sell in the state and beginning next year on a mandatory basis from all 25 privately insured carriers that sell in the state of Maryland.

At the same time next year we will also ask our large carriers to begin on a voluntary basis to submit information on beneficiary enrollment for medical services and for pharmacy benefit services. That will be on a voluntary basis next year, but beginning in 2011 we will collect information on enrollment, sometimes called eligibility files, from all 25 or so carriers that sell in the state of Maryland. The number 25 is one I've used repeatedly. That will change over the course of the contract. When we began this effort 10 years ago, there were approximately 50 carriers. As the insurance industry continues to

consolidate the number of carriers that sell in the state has diminished.

In collection of the data the vendor will be required for designing the, developing a database plan, for designing the databases for developing and supporting the submission of information from insurance carriers that submit to the commission, to coordinating the information that comes typically by electronic media from Medicare as part of the development effort, and then we carry this contract further in that we not only are looking for a vendor who can assist us with collecting, organizing and making this data usable for comparisons and analysis of cost and quality issues, but also to conduct some of those same studies ourselves and, themselves rather, and we as part of this contract have outlined a set of studies that we will want the vendor to be responsible for.

Historically as part of this effort, and it's probably best to talk about what we've done

historically and then to explain how we are changing that, is that we have reported on aggregate health care expenditures in the state of Maryland across all payors and across all service categories. That initiative involved collecting information, primarily information that had been aggregated by other, other entities and which we put together in a matrix called, which we call the State Health Care Expenditure Report. It took a lot of time, it was very expensive and as time has moved on we've considered how to make that process more, more friendly to policymakers in the state as well as to reduce the cost of it.

One simple approach that we have identified is that as spending is increasing at a relatively predictable rate and the information is good for fitting into the, into a framework, but no specific policymaker needs to know from the Maryland Health Care Commission how, down to the dollar what is spent, that we can reduce the reporting requirements to every other year on

what's called the state spending account analysis.

If you examine then in the RFP you will see that we are changing the framework from that, from focusing on unique data collection in the state of Maryland to relying on some national sources as a contractor would assess they'd be appropriate. When we begin about 10 years ago the Centers for Medicare and Medicaid Services for example did not do any state level reporting on aggregate health care expenditures. They do so now. The Medicare -- or the Medical Expenditure Panel Survey was not nearly as comprehensive nor as recognized as a tool for examining cross-country variations in regional spending; it is now. And we want to bring that, the state spending analysis up to and in line with what's, information sources to the extent it is possible to do that. So that report now will change its name and we will release it on a, on a biannual basis beginning in 2009, 2011 and 2015; is that correct?

MS. BARTNYSKA: 2010.

MR. STEFFEN: 2010. Anyhow, we will release the report in January of 2010, in January of 2012 and --

MS. BARTNYSKA: That's right.

MR. STEFFEN: -- February of 2014. Three years, three reports over the five-year contract. In addition to that report and as a substitution, in the odd years we would complete another report that will look very, in a more focused manner at spending for the privately insured. That report is more consistent with some of our functions at the Maryland Health Care Commission, particularly our management of the small group market. We along with the MIA have joint authority to administer an insurance program that is sold to employers with a firm size under 50 employees and as our commission examines how that benefit ought to change, benefit package ought to change, they will find comparisons of spending in the private market overall especially useful. We have limited information provided by carriers

currently for the small group market; what we don't have is a comparison for the market overall and for comparisons of certain components of the market that are of particular interest to our commission and policymakers in the state. For example, the individual market where there are some market forces and certain populations that, that typically have had difficulty purchasing insurance, we would like to use this new report as a way to focus on those types of populations as well.

MS. BARTNYSKA: It's also designed to make use of the fact that we will be expanding the data collection. It's also an opportunity to make use of the institutional claim data that we'll be collecting and to combine it with the provider data that we now get to make sort of a full spectrum of health care utilization and also to make use of the eligibility data, and that report would showcase the addition of those to the data files.

MR. STEFFEN: So that, and that report will be released in the second and fourth year of

the contract period and I think that most important point that Linda emphasized was one I want to emphasize too, is that we expect that the data that will be gathered currently and in the expanded format would largely be the information source that would be used to generate this spending report on the privately insured.

A third report that has been done traditionally and will continue to be generated in the future is an analysis of spending by, for health professional services, physicians and other health professionals. That report, if you've had an opportunity to look at it, evolves over time from currently it focuses principally on cost comparisons, particularly with an interest on where Maryland stands relative to other -- to the nation and to Medicare fees historically. One of the additional requirements that we are asking in this report, as there has been enormous amount of interest in fee levels in Maryland, is to provide sources for benchmarking the Maryland claim data

with similar information maintained and collected elsewhere in the country. The sense that we get from the provider community in Maryland is that both on a fee level and aggregate they are, relative to their colleagues elsewhere in the country, under-reimbursed and we would like to make the types of comparisons both on a fee level, that is on a CPT code level, how they compare as well as for an aggregate spending on a, on a more meaningful basis, say per capita spending by insured individuals for this type of services.

This report has a dynamic element to it, it changes in relation to our sense of what's important in the state, but the core themes would remain consistent that there would continue to be a focus on cost and as the data grows in quality as data elements such as the MPI are included, validated and used, we would think that the report could also look at variations both in cost and quality across the individual provider or perhaps more broadly by practice. We are hopeful that some

of the expansions we've made recently will increase the utility of this information.

The mechanism, I just want to say one thing about the mechanism as we move forward. There were a couple of issues that as we developed the RFP we focused on in terms of issues we wanted to emphasize and that is as you may have heard Maryland like many other states is undergoing a very significant financial crisis and we wanted to make certain that this very large contract by Maryland standards be spent as wisely as possible and that we take advantage of technology to the extent we can, recognizing that we have not done that previously. One piece of low-hanging fruit that we had not grabbed was the requirement on electronic submission. We are implementing that this year. Because we don't expect the contract to be awarded in time for the submission date, we anticipate that we will accept information electronically ourselves this year, but we would move towards turning that back over to a vendor in

the, once the contract is awarded, but we would be looking for those types of efficiencies as we go through the entire contract cycle through this five-year period, that any opportunities for cost savings, being mindful of where the state stands, would be, would be welcome suggestions that we would consider.

That concludes my statement. I did want to add one other fact that I think is important given that we talk about five-year contracts and it has different meanings to different people. This year we will execute as a result of this RFP a five-year contract. There will not be contract option years. Once we've signed a contract with you, assuming, assuming performance meets our thresholds, there will be no renewal. That has a couple of implications. If the contract is for a hundred thousand dollars we will be responsible for managing that hundred-thousand-dollar contract over the five-year period and it is conceivable there could be some spendout at variance from what simply

taking the contract total value and dividing by five would convey. There is no requirement that we spend on a pro rata basis across all five years. We may choose to do that, but we are not compelled to do that, and if there's a special report that we envision is going to generate additional cost in year 2 and we will, we will capture savings in year 5, we have the flexibility to do that. We think that also adds some flexibility to the vendor's, vendor's bid in terms of not having -- you have some assurance, good performance, that assumes that you have a five-year contract as opposed to a two-year contract or a three-year contract and then have to go through, for those of you who know state government, the uncertain process of having your client go before the Board of Public Works and risk the Board of Public Works, consisting of the governor, the comptroller and the secretary of the treasury, approve or reject the renewal.

With that caveat, I'll turn it over to Ms. Wiggins on my left. She will give you the down

and dirty on the effort here.

MS. WIGGINS: Good morning, everyone. I just want to briefly go over the RFP process, give you a little information about that. First I would like to everyone be mindful that we have extended the contract due date to Friday, June 19th at 12 noon. That information was also posted to eMarylandMarketplace. Just so you know, any vendor who is awarded this contract must be registered with eMarylandMarketplace, that is a requirement.

All notifications and any other additional information in reference to this RFP will be posted to the following websites: To eMarylandMarketplace.com, to mhcc.md.gov and to dhmh.state.md.us. We will also take additional written questions until the end of this week, Friday at 4 p.m. Those questions may be e-mailed to me at my address, which is also located on the key summary information sheet.

This contract has a 25 percent MBE subcontractor goal. As been mentioned, this is a

five-year contract and we anticipate running from July of 2009 through June 30th of 2014.

The procurement process is called a competitive sealed proposal process. This process involves submitting a sealed technical proposal and a sealed financial proposal. Vendors are also required to submit a public information copy of their proposals. You need to please pay attention to Part II of the RFP, which gives you the organization of the proposal. Everything that you need to have submitted is delineated here in Part II.

The commission will establish an evaluation committee to review these proposals. Once again, the technical proposals will be given more weight than your financial proposals. When you submit your proposals certain things must be included; these include documentation of fiscal integrity, we need to have a legal action summary, a list of all contracts with any entity of the state of Maryland and you also need to address the

economic benefit to the state of Maryland. We need to have a statement of the proprietary information if any is contained in your RFP.

Once the evaluation committee begins to review the process there's a possibility that we may have additional questions or clarifications to the vendor. If you're submitting a proposal, make sure that you list your resident agent on your bid/proposal affidavit. If you're not aware of who your resident agent is, you can contact the Department of Assessments and Taxation. That number is 410-767-1330. Or you can go to their website, which is dat.state.md.us. A comptroller's clearance is also required. That's to ensure that your company or firm does not have any outstanding liens with the state of Maryland.

You need to pay close attention to your MBE requirement submissions. MBE Attachment A must be submitted in your technical proposals. Failure to comply with that requirement will render your proposal not responsive and we will return those

proposals with the financials unopened. Also Attachment B must be included in your financial proposal. Failure to submit those will also deem your proposal not responsive. Also, the contract contains a living wage requirement that needs to be signed, witnessed and sent in along with your other contract documentation. For additional information and reference to the living wage requirements you can go to the dllr.md.gov website. And of course, if you have any questions, please feel free to give us a call in reference to a debriefing. Are there any additional questions? Okay.

(Discussion held off the record.)

MS. WIGGINS: I think everyone has a copy of the questions that were submitted to us prior --

VENDOR REPRESENTATIVE: I don't have one.

MS. WIGGINS: I will make sure -- these questions, just so that you know, a summary of this prebid conference, a list of all the attendees and

this addendum, the questions that we're discussing now, will be posted to eMarylandMarketplace.

MR. STEFFEN: Could we see if we can e-mail them to them?

MS. WIGGINS: E-mail them when we're finished?

MR. STEFFEN: If Andrea can do that right now so they have copies of the questions as we're going through. Is that possible?

MS. BARTNYSKA: Are you all near a computer so that she can e-mail them?

MS. WIGGINS: E-mail this addendum.

VENDOR REPRESENTATIVE: Yes.

VENDOR REPRESENTATIVE: No.

(Pause in the proceedings.)

MR. STEFFEN: Andrea, so if you have a copy of, if you have the e-mail attachment, you should have the e-mail addresses. Thank you.

MS. WIGGINS: Okay. The first question submitted: Has a contractor previously provided services as listed in the RFP? If so, who is the

contractor and what was the contract duration and value? Social and Scientific Systems located in Silver Spring, Maryland. The contract duration was a period of five years with a value of $4.4 million.

Question 2: What is the estimated value of the contract resulting from this RFP? Response: MHCC does not provide a public estimate. We have identified some efficiencies that we believe will reduce the cost of the current procurement.

3: Is there an incumbent, are they eligible to re-compete? Response: Yes.

4: Did the incumbent do all the work listed in the RFP? Response: The incumbent or sub has completed all of the work except for the following which are new:

A, two new reports are required. The first report in the series, to be produced in years 1, 3, 5, and scheduled for release in the spring of these years, will examine Maryland's health care market/system in comparison the nation and similar

state markets using per capita spending measures based on consistent spending information.

The second report in the new series, to be reduced in years 2 and 4 and scheduled for release in the summers of these years, will focus on spending patterns for the privately insured under 65 population.

B, a report on Health Care Expenditures Comparisons

C, collection of institutional data

D, collection of enrollment data

E, a new technical requirement: collection of the data via FTP.

Question 5: What are the three most important facts for consideration from the government? Our response to that question: Please read the review -- please carefully review the evaluation factors, which is located in Part III under the Evaluation and Selection Procedure of the RFP, and they're ranked of importance.

6: Please clarify the presentation of

Appendix D, Financial Proposal Special Study Unit Work Sheet. It is expected that the hourly rates will increase every year, and the form does not allow for different annual rates. Should the form be expanded to include hourly rates for each year? Response: MHCC anticipates that the hourly unit rates would change over the five-year period, but that can be accomplished with a single rate per category. The Department of Budget Management, Office of Contract prefers a single unit rate and estimated hours per labor category over the entire contract. We recommend that you average the rate you plan to proposal over the five-year contract and specify those in Appendix D-3. Our expectation is to use 20 percent of the hours shown in D-3 in each year. As the unit hours will be constant across all five years, the total compensation due the vendor will be approximately the same.

MR. STEFFEN: Could I just interrupt there? That recommend is too strong a word, and one approach would be to -- the questioner here

says that there should be rates per year. Since we have a five-year contract we are asking for one set of rates, that rate would apply in year 1 and year 5. The contractor is free to construct that rate in any manner they choose and one assumption would be that the rate would be higher in year 1 than the same relative to cost as it would be relative to cost in year 5. This is somewhat different than the approach we've used before. I would qualify that, that the Department of Budget Management is not recommending anything, this is the approach we agreed to go forward with in this contract. Recommending and suggesting at a bid/proposal process is not something we like to do to vendors, but there is one bid sheet and you can, the information on averaging is for your information, not your -- not the preferred method.

MS. BARTNYSKA: Right. And it's used for comparisons and also just comparisons across the labor categories and comparisons from vendor to vendor.

MR. STEFFEN: Go ahead.

MS. WIGGINS: Okay. Question 7: Does their annual fee include reporting/analysis work and, if so, would you specify what type of reporting? For example, is it substantially more, less or equivalent to what is included in the RFP? Our response: Annual fee includes all reporting and analysis work. The exception is a limited number of special studies, for example the current vendor provides assistance on preparing reports for the Governor's Task Force on Physician Access and Cost.

8: Is there a minority owned business involved in the current contract arrangement? If so, please specific the vendor and their scope of work. The current MBE threshold is 15 percent. There are two vendors MBE, they are Avar Consulting and Trilogy Technical Services and they're principally responsible for processing payroll submissions.

9: On integration of Medicare claims

data, is the current data warehouse a consolidated public/private data payor database? Is the new vendor responsible for development of dictionaries and mapping, or is that provided by the state?

Our response: The Medicare data is organized as a separate table due to performance issues. Data tables are merged on processing, if required. The state would want to revisit that decision as a common employer identifier now exists. The creation of dictionaries and mapping of the health professional files exists, institutional claims and beneficiary enrollment files have not been mapped. These activities will be responsibility of the contractor.

The last question: Are there any Medicaid claims data included in the contract scope? Our response is no Medicare claims --

MR. STEFFEN: Medicaid.

MS. WIGGINS: Medicaid.

MR. STEFFEN: With that, we'll take questions from either the telephone listeners or

from those that are attending here. If you would raise your hand and identify yourself.

VENDOR REPRESENTATIVE: Okay, what level of security is appropriate for the data that we would be handing to you?

MR. STEFFEN: The information that we receive from the payors, private payors, and from Medicare are an indication of private payors, we consider it under HIPAA parlance indirectly identifiable health care information, so we would expect you to secure that information consistent with how you protect indirectly identifiable information currently. We do have -- go ahead.

VENDOR REPRESENTATIVE: Particularly referring to the electronic submissions and what level they would need to be encrypted or so forth in transit, particularly the tapes and DVDs and so forth.

MR. STEFFEN: The -- that's one of the reasons why we are going to secure FTP transmission, is that there is not a satisfactory

way that we've found to ensure that information submitted on disk and tape media can be secured. Typically they arrive only through FedEx transmission currently. Certain identifiers on the file are encrypted. We don't have any requirement currently on the information that is sent to us via these medium to encrypt the entire file and we're trying to move away from that approach.

MS. BARTNYSKA: I would add that this vendor would, has to pass the Center for Medicaid and Medicare Services muster because they will have access to the Medicare data and CMS requires that you submit, in order for us to add you as people who can access the data, you have to submit your plan of how the data will be held secure, the method by which you do that, and that's also a requirement of the vendor.

MR. STEFFEN: Go ahead.

VENDOR REPRESENTATIVE: John Kaelin from The Lewin Group and I have a question on your response. In question 1, the contract value of 4.4

million, is there a way that you can break down just in terms of proportion the amount of the contract relative to the bringing in and the validating of the data versus the analytical studies that are currently performed by the current vendor?

VENDOR REPRESENTATIVE: (Via telephone) Would you repeat the question?

MR. STEFFEN: The question was the current contract value is $4.4 million, the questioner asked if we could provide a valuation on the different tasks in the current procurement, and my response is that the, given that the new contract has significantly different sets of requirements, I'm not sure how valuable that information would be. Historically as a rule of thumb we have thought of the data processing constituting anywhere from one-third to one-half, but that's in our own evaluation of the work. Keep in mind that the work is now changed and we are modifying the data collection side and the report

analysis side as well, both for purposes of efficiencies.

MS. BARTNYSKA: I would say we significantly reduced the number of analytical reports, in the last contract there were many more and now there's going to be additional data files, so we couldn't really make direct comparison.

VENDOR REPRESENTATIVE: With regards --

MR. STEFFEN: Your name.

VENDOR REPRESENTATIVE: Kris Gopalasurbramanian from Angarai International. With regards to the fiscal integrity documentation in relation to what all has been described, will we be required to submit a good standing also?

MR. STEFFEN: A certification?

VENDOR REPRESENTATIVE: Of good standing?

MR. STEFFEN: With, good standing with?

VENDOR REPRESENTATIVE: State of Maryland or federal government, would that be required too for a certificate of good standing?

MS. WIGGINS: I'm going to say --

MR. STEFFEN: Like from Dun & Bradstreet or what do you mean?

VENDOR REPRESENTATIVE: No. You're talking about Department of Assessments and Taxation, right?

VENDOR REPRESENTATIVE: Yeah, Department of Taxation.

MS. WIGGINS: That there are no outstanding liens against you.

VENDOR REPRESENTATIVE: Yeah, something like that.

MS. WIGGINS: No, we --

MS. BARTNYSKA: But if there are, we can't award the contract to you.

MR. STEFFEN: Just a second. The issue that you're talking about has been, would be resolved with the comptroller and for any of those other state organizations for which you had deficiencies, the comptroller is the source that would hold that information and we wouldn't need

to -- if they have a, if they have a finding against you, the contract will be held up until it is awarded. Whether it's unpaid unemployment, whether it's state taxes, whether it's -- the comptroller knows all.

MS. WIGGINS: Again, I'll direct you to the Department of Assessments and Taxation's website, I gave you the phone number, you need to check there to make sure that your company is in the good standing with the state of Maryland. Okay?

VENDOR REPRESENTATIVE: Okay.

VENDOR REPRESENTATIVE: My name is Sovon Moskerja from Tranzxn, Inc. I'm seeing that there is a significant importance coming to the report this time, and my question is do you think the report will happen and part of the report is being more important than data collection?

MR. STEFFEN: I would say that all of it is important. As a vendor you have to make the assessment of what and how you balance your

resources. I wouldn't want to characterize any section of the report or data collection as not being important, it would be silly to say that and pay people to do something like that. The important thing to keep in mind is that much of the work is being done for the first time so one would think that it's nothing that we haven't looked at afresh this year and simply we're not putting out the same RFP as we have in other years.

VENDOR REPRESENTATIVE: Yeah, as the contract starts in July 1st, you would be completing all the evaluation process between the submission date?

MR. STEFFEN: Because of events beyond our control the commission does not expect that we will have the evaluation process complete by July 1. In fact, our reasonable, very conservative projection is that we will, the Board of Public Works will not approve the contract until sometime in mid-August. So that would mean that we would be looking at contract start date of September 1.

VENDOR REPRESENTATIVE: Current vendor, do they provide -- I'm sorry, my name is Dave Butter, I'm with Debitte Consulting, and just some current questions about the current environment. Who owns the data? Where is the base located? What is the platform? Is it a normal database? Is it on vendor's equipment or MHCC's equipment?

MR. STEFFEN: Why don't we provide you with an extract of that information, what the physical configuration is of the current system. There is information in the RFP on the, the commission's website and I would encourage you to note that you would be required to transport files to us in SAS format, but we'll provide a complete configuration for you. The commission also owns the data. The vendor is not permitted to use it for other interesting purposes. They, however, if they were participating in a study, would have the same opportunity that any other organization would need to come before to ask the commission for a data use agreement. The data physically resides

during processing at the vendor's site and is transported when it's complete to a variety of systems here at the commission, but we'll provide a detailed summary to everyone on that.

VENDOR REPRESENTATIVE: An e-mail file format?

MR. STEFFEN: Yeah, I would refer you again to the information that we have already provided you in terms of the data attributes that are on the various files that are collected. If you go to, there's a PDF and that's referenced in the RFP document at several points and it's also listed in the appendix as a document. It's called -- what is the document?

MR. MONROE: Reading room materials.

MR. STEFFEN: Reading room materials, but the actual submission manual lists the attributes of the elements that the payor submit.

VENDOR REPRESENTATIVE: Good morning. Greg Holland, Vitality. Is there any requirement that the data be, the data the vendor's managing be

actually physically in Maryland or could it be, as long as it's in a secured facility --

MR. STEFFEN: There's no requirement that the data reside in Maryland.

VENDOR REPRESENTATIVE: Chris Bishop from ICF Macro. The personnel requirements on page 24, Section 4.17, are pretty rigorous, which might suggest that the commission favors the incumbent. How flexible is the commission on those requirements? Page 24. And the second part of my question is the evaluation criteria order of importance, can you give any guidance to how much weighting is given to the personnel, which is the top one, first one?

MR. STEFFEN: First off, I'll deal with your personnel requirement question. I think I would like to consult our counsel on that and post it in a written response so that I'm clear on what our guidance can be. And then the evaluation criteria, we are evaluating -- well, we do evaluations based on ordinal rankings of the

evaluation committee and we purposely don't assign a score value. There's never, in evaluations there is never this category is worth 30 points. It's not something we're keeping from you, it allows the evaluation committee to have some flexibility in taking into consideration some of the points that you raised, that overall the assessment is, before the evaluation begins that this is a strong issue and can be applied across the board to all, all RFPs. And for that reason we provide rankings, but not any sort of weighting because we really don't have a, a preordained system set up to tell you what it would be. The best and most complete information is what is written in the text. We will get back to you on the issue of personnel and what sort of guidance we can provide to you on that.

VENDOR REPRESENTATIVE: Thank you.

MR. STEFFEN: Any further questions?

VENDOR REPRESENTATIVE: Good morning, I'm Pam Milan with Communications Center in

Washington, D.C. Is there any traditional data collection involved in this? For instance, the data that is collected obviously is all electronic, but is there any human interaction whatsoever with the providers in follow-up of this data? Because it's not indicated at all in this and/or is it reflected in any of the --

MR. STEFFEN: I'll repeat your question or try to capture the essence of it, which is that the questioner asked if there was any traditional data collection, that is face-to-face interviews --

VENDOR REPRESENTATIVE: Or even caddy or --

MR. STEFFEN: -- surveys, information gathered in a face-to-face meeting, and the answer is that on the state expenditure report that we are planning in contract year 2, 3 and 5 there could be, or 1, 3 and 5, excuse me, there could be some what you call traditional data collection in that some interaction with some state agencies may be required. As you review our RFP, please note that

that's a process we're trying to get away from because it's very time intensive. The information seems to be not as precise year to year as we had originally planned and we're trying to go towards more standardized data collections to the extent possible. That being said, I think there will be some need to interact with, for example, the Maryland Insurance Administration, as has been done in the past but not to the level of intensity that we would expect. Conversely, there hasn't been much occasion to interact directly with the Centers for Medicare and Medicaid Services. Since we would use some of the information they are reporting on their state health expenditure report, there may be a need to interact with those folks. But there will be no surveys. No surveys.

VENDOR REPRESENTATIVE: Yeah. On the same token, would there be travel involved in the data collection and if so how would we be dealing with that?

MR. STEFFEN: The travel should be

reflected in your billing rates.

VENDOR REPRESENTATIVE: The bottom rate.

MR. STEFFEN: And as fully loaded rates. We would not anticipate there would be any travel outside of the Washington-Baltimore metropolitan area.

VENDOR REPRESENTATIVE: Just a couple of questions that may follow on this gentleman's, but with respect to Appendix F, in that you have provided the annual volumes for the insurers. With respect to Attachment F, and some of the volumes. My question runs to the issue of a transition plan of the different vendors selected other than the incumbent. Can you describe how many years of data would be part of the transition plan, how far back this would go? And this might give some idea of the number of data elements, you know.

MR. STEFFEN: The transition plan that, that a vendor should consider does not require transitioning final data files for any year other than the current year to the commission because we

already hold that information. The transition plan based on historic transitions involves migration and explanation of documentation, computer code, those sorts of activities. But we would expect an accomplished vendor to have some idea on how that should occur based on their past experience, that if, if the transition plan would be to rely on the guidance of the client, it probably would not be considered satisfactory plan.

VENDOR REPRESENTATIVE: Okay. That's helpful. And can you comment also to the extent again there is a transition and some of the data protocols may change as far as the new vendor maybe interacting with insurance carriers in a different fashion, what is the degree of, just the overall sense that the commission has in terms of the state coming out with any number of requirements to private insurers with respect to data collection? Do you look for consensus on the format, do you look for consensus in terms of the cost of producing of information and bringing it in, those

kinds of things, just could you give us some idea of what your thinking is on that?

MR. STEFFEN: One of the things we've heard about Maryland is that, from carriers, is that we, they like the fact that we're predictable and don't change things at the last minute. That, being said we are in the midst of transitioning to a broader data collection, we have regulations and layouts that describe what we want. I would think that transitioning to new forms regardless of who is selected as a vendor might be something we are, we are considering, that is the MHCC is considering. As we get other input and look to working with what's happening in Washington and what's being done in other states, that we may think of that there are additional data elements that are needed. So I think that the issue of changing the format is going to be considered independently of changing vendors.

VENDOR REPRESENTATIVE: That's helpful.

MS. BARTNYSKA: I was going to say,

because there were a couple questions about format, on page 15 of the RFP there is a link that goes directly to the current layout and all the information that payors are to provide under the provider data. We don't yet have a prescribed layout for the institutional data or for the eligibility file. We actually negotiate that with the payors.

VENDOR REPRESENTATIVE: Could you clarify once again, what eligibility and what claims information you're not collecting? You're not collecting from PBMs.

MR. STEFFEN: Yeah, could, could you identify yourself?

VENDOR REPRESENTATIVE: John Harvel (phonetic) from Maine Health Information Center.

MR. STEFFEN: Okay. The question was clarify what information claims and eligibility information we are not now collecting, and currently we are collecting pharmacy claims and professional services claims. In 2009 on a

voluntary basis we will be collecting from the four largest carriers in the state institutional claims, inpatient and outpatient information, the facility fee, facility claim. Beginning in the second year of the contract that information will be mandatory. Beginning in the second year of the contract as well we will be collecting on a voluntary basis an eligibility file for medical benefits and an eligibility file for pharmacy benefits. The thinking is that those two files would be separate. That will be on a voluntary basis, again from the largest, the four largest payors representing in excess of 80 percent of the claim volume here in the state that we can obtain. In year 3 that will also become mandatory from everyone.

We are currently not collecting data directly from PBMs. That is when a pharmacy benefit manager has a direct relationship with an employer, the commission has not yet elected to approach those PBMs to obtain that information directly. As an aside, we are working with the

principal employer in the state that uses that arrangement, what happens to be the state employee plan, to get that information. But we have no date certain as to when that would appear, but over the course of the five years the idea of obtaining information directly from PBMs will likely be reconsidered as these other sources of information are filled out more completely.

What we have found is that the pharmacy data can be obtained at a relatively low cost as formats have been standardized for a long time and the data quality, a few issues aside such as how they deal with, with nonpickups of a, of a prescription, is relatively, compared to other types of claim transactions, high.

We currently do not collect any information directly from a TPA. The largest TPAs in the state happen to be the largest insurers in the state, in particular CareFirst, Aetna, United Healthcare and Cigna. We have no plans currently to approach TPAs because we think they're a small

percentage of the market. Another data linkage, two other data linkages that we are aware of are through the state, or excuse me, through the federal employee health plan for state, for plans that sell in the state, including Aetna, United Healthcare and CareFirst through their national entities, that information is provided. For carriers such as GEHA, for example, that information is currently not collected and that information would require some coordination with the federal employee health plan in order to make that so. The adjacent BlueCross BlueShield plans cover approximately a hundred thousand lives. There have been discussions but no plans to collect that information currently. So those are the types of linkage that we know in the system.

Our focus in this contract is expanding the types of services that are collected to capture institutional claims and to generate meaningful enrollment information on all individuals who are privately insured, something we don't have

currently.

VENDOR REPRESENTATIVE: This is John from Maine once again. Institutional claims, is there a location where we can find the definition of what you consider an institutional account or an institutional claim or is it reasonable for us to assume that represents an 837 institutional submission?

MR. STEFFEN: It's reasonable to assume that you --

MS. BARTNYSKA: There's a link, on page 14 of the RFP there's a link that says -- it's a listing of possible variables for the institutional service records.

MR. STEFFEN: And it's reasonable to assume that it's an 837 institutional transaction from institutional settings including hospitals, nursing homes.

VENDOR REPRESENTATIVE: Documentation indicates it could be both emergency visit, outpatient visits as well --

MR. STEFFEN: Correct.

VENDOR REPRESENTATIVE: -- as inpatient.

MR. STEFFEN: Correct.

VENDOR REPRESENTATIVE: So any institutionally generated account or claim meets the primary definition for it?

MR. STEFFEN: Correct.

VENDOR REPRESENTATIVE: Just another question on the validation, so with respect again to Appendix F where you identify the volumes, could you describe what kinds of steps you or the contractor go through to assure the data are complete and are there checks to health plan financial statements for example, or any other data sets that might be available to ensure that you're getting all the data from the carriers?

MR. STEFFEN: The question is for validation purposes what types of additional information sources, MIA filings are available to allow a vendor to determine that a carrier has submitted a complete file. The, the broad question

of cross-referencing submissions have not been something that we have done, that is compared what we get from a carrier to what they submit on an MIA filing. I'll leave it to be said that the MIA filings reflect a different reporting period and we have not had confidence that they necessarily would be of that much guidance. What we do have -- and certainly a vendor in terms of their proposal is not limited to the MHCC's assessment in that regard if they know something that we don't. The validations that we do require relate to the coding schemes that we mandate in our submission documents, that carriers have to meet those standards. There are thresholds. Typically 1 percent failure rate, 25 -- 5 percent failure rate and that's it. We will deem the vendor with the authority to reject files that don't meet those standards. There are certain situations where a carrier will come forward before submission and say we can't meet that requirement. A good example is on identification of anesthesia services; we have

some coding standards that we want them to employ and some of the small indemnity carriers do not price anesthesia services in that fashion, they will ask for a waiver. There are other instances where we will give waivers and we keep a vendor informed of those decisions and require that information to be transmitted with the submission so that the information when it arrives is available to confirm that compliance is not -- is automatically on that field being waived. We don't issue blanket waivers, can't do any of them, it has to be data element by data element, and we're slowly cranking down the requirements on carriers in terms of their coding standards.

I would also refer you to the electronic reading room which I believe is available online; is that correct?

MR. MONROE: In Appendix E.

MR. STEFFEN: In Appendix E, and that, there are 2007 MCDB encounter data quality reports that list by carrier the data quality that each of

the payors for 2007 experienced.

Any further questions? Okay.

(Proceedings adjourned at 12:25 p.m.)

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STATE OF MARYLAND
CITY OF BALTIMORE

I, Kelly A. Alford, a Notary Public in and for the State of Maryland, City of Baltimore, do hereby certify that the aforegoing is a true and accurate transcript of the proceedings indicated.

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Kelly A. Alford, Notary Public